

**A Summary of Recent Notable Court Decisions
(plus a few classics)**

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Workers' Compensation Appeals Tribunal
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Introduction

Decision-makers in the Workplace Safety and Insurance System have to interpret and apply the *Workers' Compensation Act* when making decisions regarding compensation, employer assessments or the right to bring a civil action. For federal employees in Nova Scotia, the *Government Employees Compensation Act* (GECA) must also be applied.

Decisions from the Courts instruct these decision-makers as to the correct interpretation and application of these Acts. In order to assist in understanding the rules that decision-makers must follow, WCAT has created this summary of recent significant Court decisions. It briefly describes the key principles from the Court decisions, including some quotes from the decisions.

As decision-makers must keep an open mind, we are always open to arguments that the author of this document may have misinterpreted a Court decision.

Case Name Index

Case	Page
<u>Boyle Estate</u>	22
<u>Burrell</u>	9
<u>Cherubini</u>	24
<u>Children's Aid Society</u>	16
<u>Dipersio</u>	32
<u>Durnford</u>	4
<u>Ferneyhough</u>	2
<u>Fowler</u>	23
<u>Fraser</u>	28
<u>Halifax Employers Association</u>	20
<u>Huphman</u>	13
<u>Johnstone</u>	1
<u>Julien</u>	29
<u>Lanteigne</u>	30
<u>Lloyd</u>	14
<u>MacEachern</u>	15
<u>MacNeil</u>	31
<u>Martin</u>	10
<u>Meechan</u>	17
<u>McCarthy</u>	26
<u>Michelin North America (Canada) Inc.</u>	6
<u>Morrison</u>	8
<u>Myatt</u>	19
<u>Nurnber</u>	3
<u>Pasiechnyk</u>	25
<u>Puddicombe</u>	5
<u>Queen Elizabeth II Health Sciences Centre</u>	27
<u>Thomson</u>	7
<u>Therino Dynamics</u>	21
<u>Walsh</u>	18

Topical Index

<u>Issue</u>	<u>Case</u>	<u>Page</u>
Causation	Johnstone	1
	Ferneyhough	2
	Nurnber	3
	Durnford	4
Charter Jurisdiction	Martin	10
Chronic Pain	Martin	10
	Huphman	13
	Lloyd	14
Credibility	McCarthy	26
Deference to Hearing Officer Findings	Durnford	4
	Myatt	19
	Halifax Employers Association	20
Definition of Compensable Accident	Puddicombe	5
	Michelin North America (Canada) Inc.	6
Directors Liability	McCarthy	26
Employer Assessment Appeals	Halifax Employers Association	20
	Thermo Dynamics Ltd.	21
Equality Rights	Martin	10
Fraud against the Accident Fund	McCarthy	26
GECA	Nurnber	3
	Thomson	7
	Morrison	8
	Burrell	9
Historic Compromise	Michelin North America (Canada) Inc.	6
	Pasiechnyk	25
	Queen Elizabeth II Health Sciences Centre	27
	Dipersio	32
Interest	Boyle Estate	22

Levy on Third Party Settlements	Fowler	23
Natural Justice	MacNeil	31
	McCarthy	26
New Evidence Reconsideration	Cherubini	24
	Julien	29
Procedure on Finding of Permanency	Fraser	28
Standard of Proof	Johnstone	1
Statutory Interpretation	Thomson	7
	Boyle Estate	22
	Morrison	8
	Queen Elizabeth II Health Sciences Centre	27
	Lanteigne	30
	Dipersio	32
Stress	Number	3
	MacEachern	15
	Children's Aid Society	16
Survivor Benefits	Ferneyhough	2
Time Limits for making Claims	Meechan	17
	Walsh	18
Transitional provisions	MacEachern	15
	Dipersio	32

The Workers' Compensation Board of Nova Scotia v. Johnstone (1999), 181 N.S.R. (2d) 247 (C.A.)

- **Causation**
- **Standard of Proof**

Mr. Johnstone, a coke oven worker, had sought recognition that his bladder cancer was a compensable occupational disease. WCAT recognized his claim. WCAT relied on generic evidence from another worker's file, where a specialist had stated that it would be reasonable to accept a bladder cancer claim for a non-smoker, where there is 10 years or more of coke oven exposure.

At the Court of Appeal, the Board had argued that WCAT erred in drawing an inference in favour of Mr. Johnstone, because no doctor had stated that Mr. Johnstone's cancer was causally connected to exposure in his workplace. The Court of Appeal held that WCAT was entitled to consider all circumstantial evidence, including: length and type of employment, the fact of the disease, the worker's non-contributory family history, evidence of carcinogens in the workplace, summaries of generic studies, and evidence that other workers in the same workplace developed bladder cancer. WCAT's decision was upheld.

At paragraphs 19, 35 and 25, the Court also interpreted section 187 of the *Workers' Compensation Act*, as follows:

... The worker has the primary burden of proof but, in the case of occupational illnesses as opposed to accidents, his or her knowledge is likely limited to the fact of the employment and the fact of sickness. His or her physician may not have the specialized knowledge to offer an expert opinion as to a causative link between the workplace and the malady. The Board has resources, investigative powers and expertise which may not be available to the worker. Section 187 of the new Act appears intended to offset this imbalance by relieving the worker of the requirement of proving his or her claim beyond the balance of probabilities.

... In the s. 187 analysis in the case it would be more appropriate to say that the worker discharged his onus of showing on the whole of the evidence that there was a reasonable inference of causation that was at least evenly balanced with any other possible inference.

... the onus was therefore thrown on the employer or the Board to introduce evidence casting doubt on the possibility to throw it into dispute. ... When there is no evidence raising a doubt, or if the evidence disputing the possibility is no stronger than the evidence in support of it, the decision must go to the worker. While s. 187 relieves that worker of proving the possibility he asserts to the civil standard of a preponderance of probabilities, there is no such relief in s. 187 for those opposing the worker's claim, who must meet the civil standard.

Ferneyhough v. The Nova Scotia Workers' Compensation Appeals Tribunal (2000), 189 N.S.R. (2d) 76 (C.A.)

- **Causation**
- **Survivor benefits**

WCAT made the finding of fact that the Worker's occupational disease, pneumoconiosis, was 20% of the cause of the failure of his respiratory system that resulted in his death. It denied survivor benefits because it concluded that a 20% contribution was not a "substantial contributing factor" to Mr. Ferneyhough's death. The Court of Appeal reversed WCAT's decision and awarded survivor benefits. It found that this degree of contribution was material and not negligible. It also found that, but for the pneumoconiosis, Mr. Ferneyhough would not have died when he did.

The Court of Appeal discussed the causal link necessary to link an occupational disease to the death of a worker. At paragraph 17, it stated:

... It follows that causation for such purposes is established if it has been shown that the death would not have occurred "but for" the disease or if the disease was more than a negligible (or de minimis) contributing factor to the death.

Other descriptions the Court used were that the disease "contributed something", a "contributing cause", or that the disease contributed in a "material degree" to the worker dying when he did. At paragraph 20, the Court wrote:

... The correct standard by which to assess whether the required causal link has been established is that the occupational disease must be a contributing cause in the sense that, "but for" the occupational disease, death would not have occurred when it did or, that the occupational disease contributed to the death in a material degree. The term "material degree" should be understood, as it was in *McGhee* and *Athey*, to mean something beyond the de minimis range, that is, something that is not negligible.

Canada Post Corp. v. Nova Scotia (Workers' Compensation Appeals Tribunal) (Nurnber)
(2004), 224 N.S.R. (2d) 276 (C.A.)

- **Causation**
- **Stress**
- **GECA**

This was a gradual onset stress claim under GECA. The Court of Appeal declined to address whether a gradual onset stress claim was compensable under GECA, as it found that WCAT made a fundamental error which allowed the Court to overturn WCAT's decision without deciding all issues.

The Court found that WCAT had erred by applying a legal test for causation that relied solely on medical opinions, to the exclusion of all other evidence. The Court stated that decision-makers cannot simply defer to medical opinions in determining causation. Instead all relevant evidence must be considered. At paragraphs 24 and 25, the Court stated:

... While, of course, expert opinion evidence will often be of great assistance in determining questions of causation, it neither necessary nor necessarily dispositive.

... WCAT should weigh all relevant evidence and approach causation as a practical question of fact which can best be answered by ordinary common sense.

Durnford v. Workers' Compensation Board (N.S.) et. al. (2000), 188 N.S.R. (2d) 318 (C.A.)

- **Causation**
- **Deference to Hearing Officer findings**

This appeal concerned WCAT's finding that this blackjack dealer's tennis elbow symptoms arose out of her employment at the casino.

The Court clarified that the workplace does not have to be the sole cause of an injury or disablement to be compensable, and that disabling symptoms arising out of and in the course of employment were sufficient to establish a right to compensation. Also, it is not necessary to identify a specific pre-existing condition that causes one worker to be symptomatic, while others in the same workplace are not. At paragraph 19, the Court stated:

... when symptoms severe enough to cause "disablement" arise out of and in the course of employment, causation is established for purposes of the *Act*. It is not necessary to probe deeper and find the underlying medical reasons that one worker could develop disabling symptoms under the same workplace conditions that left other workers symptom free. The cause, in that sense, may be hereditary, the result of an old trauma, or even spontaneous. It is irrelevant to determining causation under the *Act*.

Ms Durnford had no history of tennis elbow, but became symptomatic within six months of working at the casino. The Court stated that it is relevant to consider the temporal relationship between work duties and a worker becoming symptomatic. The Court upheld WCAT's decision.

On WCAT's deference to Hearing Officer's findings, the Court stated at paragraph 12:

... the legislature could not have intended for the Tribunal to pay a high degree of deference to conclusions reached by the Board. Consideration of the additional factors requires an independent adjudicative assessment by the Tribunal and sharply curtails any deference that can be paid to conclusions, as opposed to findings of credibility or particular facts, by the hearing officer.

Nova Scotia (Department of Transportation and Public Works) v. Nova Scotia (Workers' Compensation Appeals Tribunal) (Puddicombe) (2005), 231 N.S.R. (2d) 390 (C.A.)

● **Definition of a compensable accident**

A snow plow driver, who had a car accident on a snow-covered road while commuting to work in response to an urgent call outside of normal work hours, was found to have suffered a compensable injury. The Court stated that generally, a worker will not be acting in the course of their employment while driving to or from work. However, while not performing a work duty, this particular snow plow driver was performing something directly related to his work duties. Also he was exposed to a special risk different than the general public when he responded to the employer's call to remove the very snow which caused his accident.

The Court said there is no comprehensive test for when an injury arises out of and in the course of employment. However, it did state at paragraph 27:

... the phrase 'in the course of employment' does not simply refer to things done pursuant to an employment contract, but also to things reasonably incidental to the performance of a contractual duty.

It also quoted with approval this passage at paragraph 37:

The words "in the course of employment" refer to the time, place and circumstances under which the accident takes place. The words "arising out of employment" refer to the origin of the cause of the injury. There must be some causal connection between the conditions under which the employee worked and the injury which he received

Michelin North America (Canada) Inc. v. Workers' Compensation Board (N.S.) (2003), 211 N.S.R. (2d) 273 (C.A.)

- **Definition of compensable accident**
- **Historic compromise**

Some people develop a temporarily psychological disablement when their natural sleep/wake cycle is disrupted. The Court of Appeal reversed the finding of WCAT that the symptoms of Richard Ross' shift-work maladaptation syndrome arose out of and in the course of his employment. It stated that merely having symptoms manifest themselves at the workplace does not mean that the symptoms arose out of and in the course of employment. Normal working conditions, like the scheduling of an 8-hour shift, are not an "accident" under the *Workers' Compensation Act*.

At paragraph 14, the Court also discussed the historic compromise:

A worker's right to be compensated under the Workers' Compensation Act for workplace injuries must be found within the Act itself, as interpreted in the jurisprudence. The right arose with what is known as the "historic tradeoff": workers lost the right to bring individual actions against their employers in return for access to a legislated scheme providing accessible compensation for a range of broadly-defined workplace accidents without the necessity of proving the employer at fault. Employers contribute financially to the scheme, which brings stability to the workplace and spares them the risk of ruinous damage awards. They retain an interest in the operation of the scheme because the more generous the benefits it provides for workers, the more employers are assessed to pay for it. This underlying tension is kept in balance by the legislation, including regulations and policies, as interpreted by the courts. While the concept of fault generally has no place in workers' compensation law, the scheme's adversarial origins should not be forgotten in attempting to understand its modern context. The economy of the language in which many of the principles are expressed should not be allowed to obscure basic concepts.

Thomson v. Nova Scotia Workers' Compensation Appeals Tribunal (2003), 212 N.S.R. (2d) 81 (C.A.).

- **GECA**
- **Statutory Interpretation**

The Court of Appeal found that it had jurisdiction to hear appeals of WCAT GECA decisions, reversing its earlier decision in *Salloum v. Workers' Compensation Appeals Tribunal (N.S.)* (2001), 190 N.S.R. (2d) 77.

Therefore, an appeal of a WCAT decision regarding compensation under GECA may be brought under s. 256(1) of the *Workers' Compensation Act*. The right of appeal under GECA is the same as the right of appeal of a decision regarding compensation under the *Workers' Compensation Act*. The Court stated at paragraph 19 that:

... it was Parliament's purpose to incorporate the procedural provisions, including rights of appeal, provided under provincial legislation, for workers in the federal sphere who are employed in the province. ... it was the legislation's purpose to ensure that cases under GECA should be addressed by the same machinery and tribunals as address workers' compensation claims within the province.

At paragraph 16, the Court set out the general test it uses in the interpretation of statutes (this test was also applied by the Court of Appeal in several other decisions):

As in any case of statutory interpretation, the Court must strive to give the statute its most appropriate interpretation. The appropriate interpretation is to be arrived at by taking account of the statute's total context having regard to its purpose, the consequences of proposed interpretations and presumptions and special rules of interpretation. The appropriate interpretation is one which is plausible in the sense that it complies with the text of the statute, which is efficacious in the sense that it promotes the legislative purpose and that is acceptable, in the sense that the outcome is reasonable and just. : Ruth Sullivan (ed.) *Driedger on the Construction of Statutes* (3d, 1994) at 131.

Cape Breton Development Corporation v. Estate of James Morrison (2003), 218 N.S.R. (2d) 53 (C.A.).

- **GECA**
- **Statutory Interpretation**

Section 187, the benefit of the doubt under the *Workers' Compensation Act*, applies to claims of federal employees for compensation under GECA. In general, a claim for compensation under section 4(1) of GECA is treated the same as if it were a claim for compensation under the *Workers' Compensation Act*. The Court also stated that the purpose of s. 187 is to correct the imbalance of resources between injured workers and the Board.

At paragraph 68 and 69, the Court quoted with approval this interpretation of the interplay between the two statutes:

The provincial workers' compensation scheme governs claims submitted under GECA provided that:

- (a) the provision in issue is reasonably incidental to a "rate" or "condition" governing compensation under the law of the province, and
- (b) the provision is not otherwise in conflict with GECA.

... Whether "reasonably incidental" in (a) is referred to as "integral" (*Smith*) or "sufficiently linked or connected to compensation" (*Bergeron* [1997] A.Q. No. 811), the concept is common in the jurisprudence. There must be a close nexus between the provincial provision sought to be invoked and compensation. Section 187 of the Nova Scotia Act is intended to correct the imbalance of resources of the Workers' Compensation Board and individual worker seeking compensation.

Burrell v. Nova Scotia (Workers' Compensation Appeals Tribunal) (2003), 212 N.S.R. (2d) 278 (C.A.)

- **GECA**

The Court of Appeal found that there may be some significance to the definition of accident in the *Workers' Compensation Act* explicitly including disablements, while the definition of accident in GECA does not explicitly include disablements. It directed WCAT to rehear the appeal.

Commentary: The former *Workers' Compensation Act* did not explicitly mention "disablement" in the definition of accident. However, the Nova Scotia Supreme Court interpreted the former definition of accident to include disablements (*Poan, Walker*). The Newfoundland Court of Appeal has recently interpreted the GECA definition of accident to include gradual onset stress, a disablement (*Rees*). In coming to that conclusion, the Newfoundland Court of Appeal applied the approach suggested by the Nova Scotia Court of Appeal when it decided *Cape Breton Development Corporation v. Estate of James Morrison*.

The WCB Board of Directors appear to accept that the GECA definition of accident implicitly includes disablements, as they have recently adopted a policy for the acceptance of gradual onset stress claims under GECA.

Nova Scotia (Workers' Compensation Board) v Martin; Nova Scotia (Workers' Compensation Board) v. Laseur, [2003] 2 S.C.R. 504

- **Chronic pain**
- **Charter jurisdiction**
- **Equality rights**

The Supreme Court of Canada held that WCAT could and should refuse to apply sections of the *Workers' Compensation Act* which violate the *Canadian Charter of Rights and Freedoms*. Implicit from the decision, Board decision-makers may have the same jurisdiction. At paragraph 29, the Court wrote:

... Canadians should be entitled to assert the rights and freedoms that the Constitution guarantees them in the most accessible forum available, without the need for parallel proceedings before the courts.

WCAT has the power to decide general questions of law necessary to carry out its functions. At paragraph 52, it wrote:

These questions include the law of contracts, evidence, causation, employment, corporate relationships, conflicts of law, administration of foreign workers' compensation schemes, and motor vehicles, to name but a few. Denying the Appeals Tribunal the authority to decide such questions would seriously impede its work and threaten the access by injured workers to a forum capable of deciding all aspects of their case.

The former section 10B and the former FRP Regulations violated the equality guarantee of the *Charter*, and were not justified as a reasonable limit under s. 1 of the *Charter*. Workers with chronic pain were treated differently than other injured workers. They were discriminated against due to their disability. At paragraph 90, the Court described some of the stereotypes:

The troubling comments made by some case workers in the Laseur file appear to betray such negative assumptions. Thus, statements that Ms. Laseur had "fallen into the usual chronic pain picture" and that "[t]his is basically a chronic pain problem, perhaps even a chronic pain syndrome although she seems to be a very pleasant individual with not the usual features of this type of problem" were clearly inappropriate and suggest that Ms. Laseur's claim may have been treated on the basis of presumed group characteristics rather than on its own merits.

The Court summarized its reasoning at paragraphs 5 to 7:

¶ 5 In my view, the Nova Scotia Court of Appeal also erred in concluding that the challenged provisions of the Act and the FRP Regulations did not violate s. 15(1) of the Charter. By entirely excluding chronic pain from the application of the general compensation provisions of the Act and limiting the applicable benefits to a four-week Functional Restoration Program for workers injured after February 1, 1996, the Act and the FRP Regulations clearly impose differential treatment upon injured workers [page517] suffering from chronic pain on the basis of the nature of their physical disability, an enumerated ground under s. 15(1) of the Charter. In the context of the Act, and given the nature of chronic pain, this differential treatment is discriminatory. It is discriminatory because it does not correspond to the actual needs and circumstances of injured workers suffering from chronic pain, who are deprived of any individual assessment of their needs and circumstances. Such workers are, instead, subject to uniform, limited benefits based on their presumed characteristics as a group. The scheme also ignores the needs of those workers who, despite treatment, remain permanently disabled by chronic pain. Nothing indicates that the scheme is aimed at improving the circumstances of a more disadvantaged group, or that the interests affected are merely economic or otherwise minor. On the contrary, the denial of the reality of the pain suffered by the affected workers reinforces widespread negative assumptions held by employers, compensation officials and some members of the medical profession, and demeans the essential human dignity of chronic pain sufferers. The challenged provisions clearly violate s. 15(1) of the Charter.

¶ 6 Finally, I am of the view that this violation cannot be justified under s. 1 of the Charter. On the one hand, budgetary considerations in and of themselves cannot justify violating a Charter right, although they may be relevant in determining the appropriate degree of deference to governmental choices based on a non-financial objective. On the other hand, developing a consistent legislative response to the special issues raised by chronic pain claims -- such as determining whether the pain is actually caused by the work-related accident and assessing the relevant degree of impairment -- in order to avoid fraudulent claims is a pressing and substantial objective. However, it is obvious that the blanket exclusion of chronic pain from the workers' compensation system does not minimally impair the rights of chronic pain sufferers. The challenged provisions make no attempt whatsoever to determine who is genuinely suffering and needs [page518] compensation and who may be abusing the system. They ignore the very real needs of the many workers who are in fact impaired by chronic pain and whose condition is not appropriately remedied by the four-week Functional Restoration Program. A last alleged objective of the legislation is to implement early medical intervention and return to work as the optimal treatment for chronic pain. Assuming that this objective is pressing and substantial and that the challenged provisions are rationally connected to it, however, they do not

minimally impair the rights or chronic pain sufferers. No evidence indicates that an automatic cut-off of benefits regardless of individual needs is necessary to achieve that goal. This is particularly true with respect to ameliorative benefits which would actually facilitate return to work, such as vocational rehabilitation, medical aid and the rights to re-employment and accommodation.

¶ 7 I thus conclude that the challenged provisions violate the Charter and should be struck down.

Huphman v. Workers' Compensation Board (N.S.) et al., (2001), 191 N.S.R. (2d) 384 (C.A.)

- **Chronic pain**

The Court stated that an injury may have both a chronic pain and a non-chronic pain component. It also stated that a psychiatric condition connected to chronic pain is included in the definition of chronic pain. At paragraph 22, the Court wrote:

There may very well be cases where a psychiatric condition does not come within the definition of chronic pain in s. 10A of the Act because it is not related to the chronic pain. However, that is not the case here. In view of the unchallenged factual finding of the Tribunal - that the appellant's psychiatric condition is connected to his chronic pain - that psychiatric condition comes within the definition of chronic pain in s. 10A of the Act.

Lloyd v. Workers' Compensation Board (N.S.) et al. (2002), 201 N.S.R. (2d) 368 (C.A.)

- **Chronic pain**

The Court of Appeal found that an injury may have two components - It can have both a chronic pain component, and a non-chronic pain component.

MacEachern v. Nova Scotia (Workers' Compensation Board) (2003), 214 N.S.R. (2d) 302 (C.A.).

- **Stress**
- **Transitional Provisions**

Where a worker experienced stress before the current *Workers' Compensation Act* came into force (February 1, 1996), but did not file a claim until after February 1, 1996, the current definition of "accident" applies to their claim, including the stress exclusion. The Court applied principles from its earlier decisions in *Johnstone* and *Muise*. The general rule is that, except where a contrary intention appears, outstanding claims which arose prior to February 1, 1996 are determined under the current *Workers' Compensation Act*. At paragraph 16, the Court wrote:

Although Mr. MacEachern was "injured" while the former Act was in force, his claim was first made under the current Act (subsequent to February 1, 1996). It is our view that the above comments from *Muise* are equally applicable to Mr. MacEachern's claim. There is no "contrary intention" leading to the conclusion that unclaimed events, such as this, are to be governed by the former Act. The claim must be adjudicated applying the current Act, including the current definition of "accident".

Children's Aid Society of Cape Breton-Victoria v. Nova Scotia (Workers' Compensation Appeals Tribunal) (2005), 230 N.S.R. (2d) 278 (C.A.)

- **Stress**

A Worker was in a discipline meeting. His unchallenged testimony supported an inference that there was a "real and imminent threat that the meeting was about to become physically violent." He was diagnosed with post-traumatic stress disorder following the meeting. The employer appealed WCAT's finding that the Worker had an acute reaction to a traumatic event. The Court of Appeal, without deciding the degree to which the test for a traumatic event was subjective/objective, upheld WCAT's decision (the Court declined to clarify this area of law, as both the employer and worker agreed that the correct legal test had both elements).

Meechan v. Nova Scotia (Workers' Compensation Appeals Tribunal) (2001), 196 N.S.R. (2d) 313 (C.A.)

● **Time Limits for making claims**

On December 24, 1976, Mr. Meechan fell eight feet from a ladder injuring his back. While he reported the accident to his employer (and filled out a WCB Accident Report which he gave his employer), a report of accident was never filed with the Board. He returned to work on January 2, 1977, but twisted his back that day while on a ladder. A report of accident was filed with the Board with respect to the second injury. The Board accepted the claim, and paid Mr. Meechan a temporary total disability benefit from January 5, 1977 to June 6, 1977. Most of the medical reports filed with the Board discussed the fall from the ladder. But, it was not until 1998, when Mr. Meechan was seeking a permanent medical impairment award, that he discovered that the first accident was never reported to the Board.

WCAT had found that Mr. Meechan was out of time to file a claim in 1998 for his December 24, 1976 accident. While, s. 186 is not mentioned by the Court of Appeal, it effectively found that WCAT failed to take into account the real merits and justice of Mr. Meechan's claims. It stated that the Board was aware of Mr. Meechan's back injuries from January 2, 1977 onward. The fact that the claim really flowed from the December 24, 1976 fall was really irrelevant given the unusual circumstances. First, both episodes occurred within five days, and both were back claims. Second, most of the medical reports referred to the fall from a ladder. Third, given that the Board paid over six months of temporary benefits, it knew then that it was dealing with a more traumatic injury than a twisted back.

Walsh v. Workers' Compensation Board (N.S.) et al. (2001), 190 N.S.R. (2d) 123 (C.A.)

● **Time limits for making claims**

On May 10, 1977, Ms Walsh suffered a workplace injury resulting in a permanent impairment. While she informed the employer of the injury, she never filled-out a WCB Accident Report. She did not notify the Board of her injury until March 30, 1999 - 22 years after the accident.

The Court confirmed WCAT's decision that Ms Walsh was out of time to file a claim with the Board under s. 83 of the *Workers' Compensation Act*. The Court held that the Board could not extend the time to file a claim once five years had elapsed. At paragraph 10, the Court wrote:

The Board, however, is only permitted to act to prevent injustice caused by delay in making a claim where the delay does not exceed five years. The claim here was not brought to the Board's attention until long after that period had passed, and, therefore, the Board had no power under the Act to award compensation.

Canada Post Corp. v. Nova Scotia (Workers' Compensation Appeals Tribunal) (Myatt) (2004),
222 N.S.R. (2d) 191 (C.A.)

- **Deference to Hearing Officer findings**

WCAT had reversed a Hearing Officer decision. It preferred the evidence of Mr. Myatt to that of the employer, unlike the Hearing Officer who preferred the evidence of the employer's witnesses. The Hearing Officer's decision was based on oral testimony, while WCAT reviewed a paper record. The Court of Appeal found that WCAT failed to properly defer to the Hearing Officer's findings of fact based on oral testimony.

At paragraph 21, the Court described the nature of WCAT appeals, including their relationship to Hearing Officer decisions as follows:

... WCAT proceedings are of a hybrid nature, combining features of appeals de novo with reviews of the record; WCAT is to exercise an independent adjudicative function; WCAT's deference to findings of Hearing Officers is defined and limited by its statutory mandate and its hybrid role; courts should be wary of curtailing that independent adjudicative function by imposing a rule of deference not contemplated by the legislature; and, that WCAT owes deference to a Hearing Officer's finding of fact based on the assessment of oral testimony particularly where WCAT conducts a paper review and receives no additional evidence beyond that before the Hearing Officer.

Halifax Employers Association v. Workers' Compensation Appeals Tribunal (Nova Scotia), 2000 NSCA 86

- **Deference to Hearing Officer findings**
- **Employer assessment appeals**

The Court of Appeal upheld the scheme of basing assessments on the industry in which a business is part of, as opposed to the principle activity of the business. At paragraph 44, the Court also discussed the jurisdiction of WCAT, stating that when it exercises a discretion, it does so on a correctness basis, not a review of the reasonableness of the Hearing Officer's exercise of discretion.

In general, the Tribunal exercises on to it the same discretion as is exercised by the Board acting through a Hearing Officer.

• **Employer Assessment Appeals**

Thermo Dynamics had been classified incorrectly resulting in the firm being over-assessed by the Board for several years. At issue was whether more than one year of over-assessment could be refunded to the firm.

Section 122 of the *Workers' Compensation Act* provides that where a firm is re-assessed to correct an error, the amount of the reassessment that can be refunded is restricted to the one year before the correction is made. WCAT held that the Board had no jurisdiction to refund any earlier over-payments.

The Court of Appeal held that s. 190, the Board's general discretion to extend any time limit, applies to s. 122 of the *Workers' Compensation Act*. It directed the Board to consider whether it should extend the one year limit and refund earlier over-assessments to Thermo Dynamics.

At paragraph 41, the Court stated:

The power under s. 190 is discretionary. The circumstances of each particular case need to be carefully examined to see whether an "injustice" has occurred warranting an extension of time limits. It will be for the Board to begin anew, a thorough review of the appellant's file in order to decide whether it is a clear case where an "injustice" has occurred, which the Board if so advised, might decide to correct, pursuant to s. 190.

Boyle Estate v. Nova Scotia (Workers' Compensation Appeals Tribunal) (2004), 225 N.S.R. (2d) 69 (C.A.)

- **Interest**
- **Statutory Interpretation**

At issue before the Court was whether the Board can pay interest on delayed compensation. Mr. Boyle suffered a heart attack at work in 1988, and filed a claim with the Board in 1989. He passed away in 1994. After a series of appeals, his claim was finally accepted in 2000. His estate sought interest from the Board for the delayed compensation. The Court found that there was no authority allowing for the payment of interest. It found that "compensation ... as provided by this Part" in section 10(1) of the *Workers' Compensation Act* was restricted to forms of compensation authorized by the *Workers' Compensation Act*, a regulation, or a policy. At paragraphs 61 and 68, the Court wrote:

... The WCB and WCAT are not given the full remedial power of a court in a civil action. Section 10(1) states that the Board "shall pay compensation to the worker as provided by this Part". The last five words qualify the power to order "compensation".

As stated in Martin, the Workers' Compensation Act is a "comprehensive scheme". It is a complete code with a self-financing system of no-fault insurance. The Act specifies certain benefits, and authorizes the Board to expand or refine those benefits by stating formulae in regulations or policies. The self-contained financing through assessments paid to the Fund has meant that the expenses of the Fund are those specified in the Act or in regulations or policies authorized by the Act.

Fowler v. Nova Scotia (Workers' Compensation Board) (2004), 225 N.S.R. (2d) 27 (C.A.)

- **Levy on third party settlements**

The Board is authorized by section 31(2) of the *Workers' Compensation Act* to deduct an administrative fee from third party settlements, to cover its internal costs of operating the third party unit.

Cherubini v. Workers' Compensation Board (N.S.) et al. (2001), 95 N.S.R. (2d) 51 (C.A.)

● **New evidence Reconsideration**

The Court of Appeal interpreted the Board's new evidence policy (8.1.7R1). There is a two-step process in a new evidence reconsideration.

Step one - the Board must be given evidence that meets the definition of "new evidence".

Step two - if there is new evidence, the claims level of the Board must conduct a reconsideration to see if it changes the outcome of the final decision.

The Court of Appeal has interpreted the definition of "new evidence". It is evidence that:

- was not available at the time of the final decision;
- does not simply re-state evidence that was considered as part of the final decision; and
- is capable of changing the final decision.

Deciding whether possible new evidence will change the outcome of the final decision is not part of deciding whether it is new evidence. The Board policy merely requires that it be capable of changing an outcome. It is not weighed against other evidence at step 1. Do not ask yourself whether the evidence would change the mind of the original decision-maker, but instead could it change a reasonable person's mind. At paragraphs 25 and 59, the Court wrote:

... That is, the evidence must be sufficient to persuade a reasonable person in the position of a claims adjudicator to alter the final decision.

... It can merely find that the evidence might be capable of doing so.

Weighing of evidence can only occur when step 1 identifies new evidence - after that point a reconsideration is conducted at the claims level of the Board to see if the outcome of the final decision is changed. On a reconsideration, earlier errors can be corrected that do not have anything to do with the new evidence. In other words, a decision-maker can review all the evidence and law while performing the reconsideration. At paragraph 35, the Court wrote:

... While an earlier error can be corrected on a reconsideration, it is not a necessary ingredient pursuant to the Policy in determining entitlement to a reconsideration.

● **Historic compromise**

The Supreme Court of Canada discussed that workers' compensation is based on four fundamental principles:

1. Compensation paid to injured workers on a no-fault basis.
2. Security of compensation payments does not depend on the solvency of individual employers.
3. Administration and adjudication of the workers' compensation scheme is handled by agencies with independence from Government. And
4. Compensation is paid quickly to injured workers without the need for court proceedings.

Speaking for the majority of the Court, Justice Sopinka wrote at paragraph 27:

I would note that these principles are interconnected. For instance, security of payment is assured by the existence of an injury fund that is maintained through contributions from employers and administered by an independent commission, the Workers' Compensation Board. The principle of quick adjudication without the need for court proceedings similarly depends upon the fund and the adjudication of claims by the Board. The principle of no-fault recovery assists the goal of speedy compensation by reducing the number of issues that must be adjudicated. The bar to actions is not ancillary to this scheme but central to it. If there were no bar, then the integrity of the system would be compromised as employers sought to have their industries exempted from the requirements of paying premiums toward an insurance system that did not, in fact, provide them with any insurance.

McCarthy v. Workers' Compensation Board (N.S.) et al. (2001), 193 N.S.R. (2d) 301 (C.A.)

- **Director's liability**
- **Fraud against the accident fund**
- **Credibility**
- **Natural Justice**

Under s. 136 of the *Workers' Compensation Act*, a director is liable for outstanding assessments of their company. At issue was whether Mr. McCarthy was a director when Allied Roofing became liable for an outstanding assessment. The Court held that the Board must prove that a person is a director on a preponderance of probabilities basis.

Mr. McCarthy's name was still on the records at the Registry of Joint Stock Companies in 1999, when the company became liable for outstanding assessments. However, he gave the Board a copy of a letter dated September 1, 1995 addressed to Allied Roofing, where he gave the company his resignation as a director. He argued that he was no longer a director after writing that letter.

WCAT found that the letter was created after the fact. The Court reversed WCAT's findings, stating that there was no evidence to support that conclusion. Also, it stated that WCAT should have given Mr. McCarthy notice that the date of the creation of the letter was in issue, before making a negative credibility finding that amounted to finding that Mr. McCarthy was attempting to defraud the accident fund.

The Court held that the records at the Registry of Joint Stock Companies merely create a presumption that Mr. McCarthy was a director. It found that Mr. McCarthy had rebutted that presumption with the uncontested letter and sworn testimony at his WCAT hearing.

Further, the Court stated that a decision-maker should only find fraud where there is "clear, cogent, and persuasive evidence" (paragraph 77).

Queen Elizabeth II Health Sciences Centre v. Nova Scotia (Workers' Compensation Appeals Tribunal) (2001), 193 N.S.R. (2d) 385 (C.A.)

- **Historic Compromise**
- **Statutory Interpretation**

This appeal dealt with whether an injured worker could sue a hospital for negligence in the treatment of his injuries. Under s. 28 of the *Workers' Compensation Act*, a worker is barred from bringing a civil suit "as a result of any personal injury by accident ... arising out of and in the course of the worker's employment ... " against any "... employer subject to this Part I...".

It was not contested that the compensable injury was the operative cause of Mr. Erl's injury, and that the claim for negligent medical treatment flowed from the original workplace injury. At issue was whether the QE II was an employer subject to Part I of the *Workers' Compensation Act*. While the list of industries subject to the *Act* under the *Workers' Compensation General Regulations* includes "operation of hospitals", the Regulations exclude workers or employees engaged in "surgical medical".

The Court of Appeal rejected WCAT's finding that whether the QE II was subject to Part I of the *Act* was to be decided on a case by case basis depending on whether the activities of medical professionals give rise to the cause of action. The Court stated that such an interpretation 1) made the *Act* unworkable, 2) confuses whether a worker is subject to the *Act*, with whether the Employer is subject to the *Act*, and 3) is at odds with the historic compromise.

At paragraph 44, the Court states:

Again with respect, WCAT unreasonably confused the question of whether a servant or agent is covered by the Act with the question of whether an employer is subject to the Act. The provisions deal with both issues. But the inclusion or exclusion of an employer does not depend on whether its servants or agents, whose activities gave rise to a particular cause of action, are workers (and therefore covered) within the meaning of the Act. The statute clearly distinguishes between workers (who are covered by the Act) and the broader class of servants and agents (who may not be). An employer may have servants and agents who are not workers covered by the Act but that does not mean that their employer is not subject to the Act.

At paragraph 46, the Court states:

The QE II pays nearly \$4 million in assessments under the *Workers' Compensation Act*. WCAT offers no explanation for how it is that an employer is generally subject to the Act for assessment purposes but not for the purposes of s. 28 of the Act. As noted, the same definition of the employers who are subject to the Act applies for both purposes.

Fraser v. Nova Scotia (Workers' Compensation Board) (2000), 183 N.S.R. (2d) 170 (C.A.)

● **Procedure on Finding of Permanency**

If in the course of determining the extent of a worker's temporary earnings-replacement benefit, WCAT finds that the Worker has a permanent medical impairment, WCAT should remit the appeal to the Board for it to determine permanent benefits.

At paragraph 16, the Court states:

... WCAT found that Mr. Fraser had suffered earnings loss as a result, at least in part, of his injury beyond October 12th, 1993, and that he suffered a permanent medical impairment beyond that date. Having made these findings, it was an error of law for WCAT to fail to, at least, remit the case to the Board for determination of the benefits to which these findings entitled Mr. Fraser.

Julien v. Nova Scotia (Workers' Compensation Appeals Tribunal), [2001] N.S.J. No. 480 (C.A.)

- **New Evidence Reconsideration**

When WCAT does a s. 251 referral to Hearing Officer, it must provide the Board with the complete record.

If, following an oral hearing, WCAT declines to decide the appeal, and instead refers the appeal to a Hearing Officer for reconsideration, WCAT should provide the transcript of the hearing. At paragraph 8, the Court stated " ... that Hearing Officer should receive a transcript of the evidence and not any summaries or findings of credibility made by WCAT."

Lanteigne v. Nova Scotia (Workers' Compensation Appeal Tribunal)(2002), 210 N.S.R. (2d) 258 (C.A.)

● **Statutory Interpretation**

Under s. 28(2) of the *Workers' Compensation Act*, a worker is not barred from bringing a civil action against a covered employer where the injury results from the use or operation of a motor vehicle registered or required to be registered under the *Motor Vehicle Act*.

This appeal dealt with whether a motorized crane, which was stationary with its stabilizers extended, was a motor vehicle. WCAT held that the crane was a multi-use or multi-purpose piece of machinery and whether it should be considered a motor vehicle depended on the purpose for which it was being used at the time of the accident. The Court of Appeal confirmed WCAT's approach. It states at paragraph 28:

As set out in para 16 above, WCAT was of the view that the resolution of the s. 29 application turned on the Grove Carrier's status as a multiple purpose piece of machinery and selected *Argue* as the governing authority. Since the truck crane was stationary and operating as a crane when it fell over, WCAT decided that at the time of the accident it was not operating as a motor vehicle within s. 28(2) of the Act, and consequently the exception to the statutory bar did not apply. In my view, this determination cannot be said to be patently unreasonable.

MacNeil v. Nova Scotia (Workers' Compensation Appeals Tribunal) (2001), 189 N.S.R. (2d) 310 (C.A.)

- **Natural Justice**

WCAT identified three issues at a pre-hearing conference call, and held out that it would make a preliminary decision addressing whether the worker was an employee of DEVCO for purposes of the claim. The participants filed submissions solely addressing the preliminary issue. However, WCAT issued a final decision finding the claim was filed too late, and therefore, statute barred. The Court of Appeal found that WCAT lost jurisdiction when it failed to address the only question put to it by all participants, and issued a decision on a different issue, without giving the opportunity for submissions on that issue.

Dipersio v. Nova Scotia (Workers' Compensation Appeals Tribunal) (2004), 228 N.S.R. (2d) 134 (C.A.)

- **Statutory Interpretation**
- **Historic Compromise**

While the historic compromise can assist in interpreting the *Workers' Compensation Act*, the *Act* governs. At paragraphs 80 to 83 the Court states:

The WCAT's chairman cited the "historic tradeoff" proposed by Sir William Meredith which was the rationale for the initial workers' compensation legislation: see *Pasiechnyk v. Saskatchewan (Workers' Compensation Board)*, [1997] 2 S.C.R. 890 at para. 25. Workers relinquished their cause of action against their employers and, in return, gained compensation under the statutory scheme. Employers pay assessments but not damages. The chairman stated that the avoidance of double recovery promotes a reading of the current Act which authorizes the WCB to withhold Mr. Dipersio's compensation.

The historic tradeoff led to the enactment of workers' compensation legislation. It is the legislation itself which governs the rights and obligations of Mr. Dipersio and the WCB. Under the former Act, for constitutional reasons and notwithstanding the historic tradeoff, Mr. Dipersio could sue in Texas while he claimed compensation from the WCB. If the former Act had contained a provision similar to the current s. 32, then the WCB could have withheld payment from Mr. Dipersio. Notwithstanding the historic tradeoff, the legislature (1) did not include such a provision in the former Act and (2) has chosen wording in ss. 32 and 227 of the current Act which does not retroactively entitle the WCB to withhold payment against a 1991 settlement.

The historic tradeoff does not amend the statute. The statute governs.

For these reasons, in my view WCAT erred in law by ruling that the current Act permits the WCB to withhold compensation benefits payable to Mr. Dipersio.



